



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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CALIFORNIA TREASURER PHIL ANGELIDES, SENATOR DEAN FLOREZ, KERN COUNTY BUSINESS LEADERS CELEBRATE STATE "MICROLOAN" PROGRAM THAT HELPED BAKERSFIELD BUSINESS GROW, PROVIDE JOBS

Treasurer Marks Microenterprise Development Month in California, Highlights Program that Has Provided Financing to Boost Business Growth

BAKERSFIELD, CA – California State Treasurer Phil Angelides, State Senator Dean Florez (D-Shafter), joined by representatives from the Greater Bakersfield and Kern County Black and Hispanic Chambers of Commerce, today celebrated the success of the California Capital Access Program's (CalCAP) microloan lending initiative at GIC Transport (GIC) in Bakersfield. In just three years, GIC – a local trucking company – has grown into a thriving small business, increasing its staff from four to 18 employees, with the help of microloans from CalCAP. Since taking office in 1999, Treasurer Phil Angelides has greatly expanded the State's microloan lending program, which provides loans in amounts ranging from \$500 to \$40,000 to small business owners helping them start new enterprises and expand their business operations.

Today's event also celebrated "Microenterprise Development Month" in California. Microenterprises, businesses with fewer than five employees, provide jobs for more than three million Californians – over 19 percent of the State's workforce – and make up 88 percent of California businesses.

"GIC Transport is an example of how small businesses can succeed with the help of microloans," said Treasurer Angelides. "The smallest businesses often have the hardest time accessing capital, yet they serve as the economic engine of our state – adding new jobs every day. Helping these small businesses grow strengthens California communities over the long-term and contributes greatly to our economy," Angelides added.

The California Capital Access business loan program is administered by the California Pollution Control Financing Authority (CPCFA), which Angelides chairs. Since taking office in 1999, Angelides has focused on offering more loans in smaller dollar amounts to help more small businesses such as GIC. So far in 2005, nearly 60 percent of CalCAP



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loans have been microloans, compared to just 5 percent when Treasurer Angelides first took office in 1999.

Since Angelides took office microloans have been made available to more than 1,200 small businesses across the state, resulting in the creation or preservation of nearly 2,500 jobs. The program's success has been made possible with the addition of new program lenders, including community development financial institutions and community-based banks. Since 1999, the number of participating lenders has increased from five to 39.

"This is a good program to help people like me with little or no credit history," said Gabriel Cruz, GIC Transport's owner. "I was able to expand my business with the help of these microloans," Cruz added. GIC Transport obtained several microloans to grow his small agricultural trucking company from two trucks to 20 and from four to 18 employees in three years.

"Treasurer Angelides' small business loan program has been good for the Central Valley – adding new jobs, economic vibrancy and business resources to an area that is often overlooked by traditional lenders," said Senator Dean Florez.

CalCAP helps lenders make loans to small businesses that otherwise would not qualify for a loan by providing additional reserve funds to back up loans. Every dollar invested by the state in the CalCAP program results in \$23 of private financial institution lending. The default rate on microloans loans is lower than the industry standard, ranging between 3 – 4 percent while the standard is approximately 8 – 12 percent.

The CalCAP microloan program is one in a series of initiatives launched by Angelides to expand economic opportunity and promote the revitalization of California communities that have too often been left behind. These "Double Bottom Line" and "Smart Investments" initiatives have directed more than \$25 billion in investment capital – through State programs and the State's pension and investment funds – to create economic growth and sustainable development in California neighborhoods.

More information about CalCAP and participating financial institutions can be found on the State Treasurer's Website at www.treasurer.ca.gov/cpcf under California Capital Access Program.

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